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MAYOR JERRY SANDERS FACT SHEET

MAYOR SIGNS BALANCED BUDGET FOR FY 2010

Public Input was Critical in Addressing \$83 Million Gap, Mayor Says

Mayor Jerry Sanders today signed the city's fiscal year 2010 budget – the product of a six-month process that included more than a dozen public-input sessions that helped shape city spending priorities in the face of a projected multimillion-dollar shortfall.

The balanced budget, which takes effect on July 1, closed an \$83 million gap forged by plummeting tax revenues without cutting city services. The deficit was addressed mostly through cutting the compensation of nearly all the city's 10,500 employees by 6 percent, which will save \$41 million this year, as well as bring long-term savings in retirement costs.

"I'm extremely proud of this budget, because we addressed a significant shortfall in revenues without cutting services to taxpayers," Sanders said. "More than anything, I'm grateful for the individual sacrifices our employees will be making so that we can keep our libraries and parks open and serving the public."

In addition to helping balance this year's budget, terms of the new labor contracts that go into effect on July 1 will reduce the city's unfunded pension and retiree health liability by more than \$600 million and will reduce the city's annual required contribution to the pension system by \$3 million.

Other measures taken to balance this year's budget included approximately \$6.7 million in new revenue from updated fees for city services such as permits, inspections and special events – many of which have not been updated in over a decade and the use of unrestricted reserves.

The public played an important role in forming this year's budget, the mayor said. In addition to budget public forums held by City Councilmember Tony Young, the Budget Committee chair, the Mayor's Office gathered input on spending priorities from the public via a Web site, where citizens made more than 500 suggestions for budget cuts, as well as from employees through a confidential electronic suggestion box.

"I attended community meetings at the outset of the budget-development process, and what I heard over and over was that the citizens of San Diego did not want to see cuts to library hours, park services and public safety. They don't want their roads to deteriorate," Sanders said. "I really took those thoughts and suggestions to heart as we got to work on crafting this year's budget."

While the budget is passed and signed, the mayor cautioned that plans by Sacramento lawmakers to raid local government funds to plug a hole in the state budget may cause San Diego to re-open its budget and make severe cuts.

"The city of San Diego has been streamlining our operations since the day I took office, and because we've been able to eliminate nearly 900 positions and make the city much more efficient, we were able to maintain services during these extremely difficult economic times," Sanders said. "The state should have been doing the same, and we don't think the taxpayers of San Diego should have to foot the bill for Sacramento's dysfunction."

The adopted budget will be available online at:
www.sandiego.gov/fm/annual/index.shtml

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